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# Acme Gas & Oil Co.

## Limited



*Annual Report to the Shareholders*  
for the Fiscal Year ended December 31  
**1965**



# Acme Gas & Oil Co.

Limited

## OFFICERS

<i>President</i>	-	-	-	-	-	-	-	-	-	BERT W. LANG
<i>Vice-President</i>	-	-	-	-	-	-	-	-	-	J. L. C. JENNER
<i>Secretary</i>	-	-	-	-	-	-	-	-	-	R. A. CRANSTON, Q.C.
<i>Treasurer</i>	-	-	-	-	-	-	-	-	-	EDWARD A. PIGULSKI

## DIRECTORS

BERT W. LANG

J. L. C. JENNER

R. A. CRANSTON, Q.C.

D. H. STODART

J. T. GARROW

## HEAD OFFICE

Room 1705, 80 Richmond St. West  
Toronto, Ont., Canada

## TRANSFER AGENT AND REGISTRAR

THE PREMIER TRUST COMPANY  
19 Richmond St. West  
Toronto, Ont., Canada

THE ANNUAL MEETING WILL BE HELD ON MONDAY,  
MARCH 14th, 1966, AT 11:00 A.M., TORONTO TIME, AT ROOM 1705,  
80 RICHMOND STREET WEST, TORONTO, ONTARIO



# ACME GAS & OIL CO., LIMITED

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## *Report of Directors*

To the Shareholders,  
ACME GAS & OIL CO., LIMITED.

Your Directors submit herewith the Annual Report of the Company which includes the Consolidated Balance Sheet, Auditors' Report, Consolidated Statement of Deferred Expenditures and Consolidated Statement of Deficit for the year ended December 31st, 1965.

Net Current Assets including investments at market value amounted to \$154,584.81 as at December 31st, 1965. Expenditures during 1965 on exploration, acquisition of claims and purchase of equipment totalled \$255,345.20 compared to an estimate of \$250,000 made early in 1965. It is anticipated that expenditures during 1966 in the search for mines may be close to the 1965 figure.

During 1965 ground geophysical surveys and drilling were carried out on the Delbreuil, Guy, Villars, Gaboury and Baby groups in the Belleterre Area of Quebec but no results of a commercial nature were encountered. On the optioned group in Baby Township three holes drilled at close intervals intersected copper-nickel mineralization but further drilling indicated that the mineralized zone was very short and holes drilled at relatively shallow depths below the first three holes did not intersect the zone. As results indicated that there was only a short and very shallow pod of mineralization, the option was allowed to terminate. The results secured in the first three holes encouraged the Company to purchase an adjoining property of 1,200 acres for \$3,000 and to stake 397 claims, located in Baby, Guigues, Laverlochere, and Gaboury Townships, at a total cost of \$12,911.12. Only limited work has been done on these claims. Trenches across a gold bearing zone on the Laverlochere claims were opened up and sampled with results yielding highly erratic gold values including two samples which assayed approximately \$30.00 per ton. Further exploration is planned in the Belleterre Area during 1966 including additional work on the gold zone.

Equity Explorations Limited reported in 1965 the indication by drilling of an important gold bearing zone on its property in the Joutel-Mattagami Area of Quebec. Acme holds an option on a group of 20 claims in Joutel Township, located about one mile from the Equity property and acquired, at cost plus a share of the cost of an aerial survey, a 15 claim group in Valrennes Township — about four miles from Equity. The results of the aerial survey indicate that these two groups of claims are



located on what is believed to be the north-westerly extension of the formations which contain the Equity gold zone. The results of ground geophysical surveys completed last winter show a strong electromagnetic (E.M.) conductor with a coincident magnetic anomaly on each of these groups. It is planned to drill these conductors before spring. Acme secured by staking two groups totalling 175 claims located northwest of the Equity property but no work has yet been planned for these groups.

In the Timmins Area the Company acquired early in 1965, six groups of claims located in Tully, Duff, Langmuir, Laidlaw, Douglas and Eldorado Townships, totalling 198 claims or about 7,800 acres, details of which were set out in the last Annual Report. The results of aerial surveys over the Duff and Laidlaw groups did not indicate any conductors. A ground E.M. survey carried out over the Douglas group did not indicate any important conductors. Ground geophysical surveys will be carried out on the Tully, Langmuir (about three miles south of Mining Corporation's main group) and Eldorado groups on which the results of aerial surveys have indicated E.M. conductors.

The Company acquired at cost of staking 102 claims (about 4,000 acres) in McArthur Township in the Timmins Area, covering high magnetic anomalies similar to those over the Texmont nickel deposit located about five miles to the southeast and the Mining Corporation nickel deposit in Langmuir Township — 12 miles to the northeast. The results of an aerial survey flown recently show two strong E.M. conductors with lengths of 4,000 ft. and 5,000 ft. Soil sampling over a limited area has indicated a nickel bearing anomaly, with a length of 2,000 feet and open on one end, which appears to be coincident with one of the aerial E.M. conductors. Ground geophysical surveys and additional soil sampling will be carried out in order to determine drill locations.

Due to abnormal rainfall during the summer and fall of 1965 our geophysical crews were only able to cover about one-third of the work which they would normally expect to accomplish.

Your Company has acquired by staking a group of 79 claims in the northwest part of Eldorado Township at a location about five miles west from where Mining Corporation is drilling a nickel deposit in Langmuir Township. Geological and aeromagnetic maps indicate that this group may cover geological formations somewhat similar to those on that property. The favourable geological structures appear to strike southwest in Langmuir and bend at the Langmuir-Eldorado boundary and strike northwesterly in Eldorado Township crossing the Acme property for a length of about three miles. Your Company also acquired at cost of staking, two additional groups of 41 and 55 claims in the south and southwest parts of Eldorado. A map of the Eldorado-Langmuir area, showing the location of the four groups of claims held by the Company is included with this report.

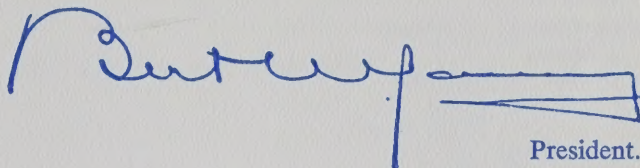
Two members of the Company's exploration crew, who have spent a number of years in mining exploration in New Brunswick, were moved to New Brunswick where a search for orebodies is now being carried out. The Company has acquired, in the Bathurst-Newcastle district, by staking seven groups of claims and one group by purchase and option (totalling 520 claims with an area of about 20,000 acres) made up as follows: (1) 62 claims located about one mile south of the Heath-Steele and Satellite properties and on the indicated extension of the ore-bearing formations. (2) 32 claims covering the assumed extension of the ore-bearing formations some four miles to the north of the Wedge Mine. (3) 71 claims covering for a length of three miles an area where soil sampling results indicate a possible nickel-copper deposit. (4) 122 claims with a length of four miles where soil sampling has indicated a



copper-zinc zone which may be coincident with one of the three aerial E.M. conductors covered by this group. (5) 87 claims located to cover an aerial E.M. conductor and the extensions of formations over which a copper-zinc area has been indicated by soil sampling on adjoining claims. (6) 48 claims covering two ground E.M. conductors which have not been tested by drilling. (7) 32 claims adjoining a block of claims which are being drilled to test an interesting copper showing. (8) A group of claims made up of eight claims purchased and 58 claims held under option located within two miles of the Heath-Steele and Consolidated Mining & Smelting orebodies and adjoining or adjacent to properties shown as held by New Jersey Zinc, S.W. Potash, Noranda and Mining Corporation. Soil sampling is underway on this group.

The aggressive search for mines will be continued with two exploration crews in the field — one operating in Ontario and Quebec and the other in the Bathurst-Newcastle district of New Brunswick.

On Behalf of the Board of Directors,

A handwritten signature in blue ink, appearing to read "D. J. [unclear]", followed by a horizontal line and a small rectangular stamp.

President.

Toronto, Ontario,  
February 18th, 1966.



# ACME GAS & OIL CO., LIMITED

(Incorporated under the laws of Ontario)

and its subsidiary

## BORRADAILE OILS LIMITED

### CONSOLIDATED BALANCE SHEET as at December 31, 1965

Current:		ASSETS	
Cash		\$ 13,083.96	
Sundry accounts receivable		1,659.98	\$ 14,743.94
Receivable re sale of interest in oil lease and well, and in Keradec Petroleum Limited (½ due each December 11, 1965 and 1966) — Note 2			31,898.63
First mortgage on real estate		51,000.00	
Accrued interest (including \$3,900.00 deferred to 1974)		4,989.89	55,989.89
<b>Investment in Shares and Units:</b>			
(at or below cost) — Note 1			
Those with quoted market price:			3.00
151,650 The Barex Trust		63,693.00	
70 Barymin Explorations Ltd.		17.50	
4,666 Acroll Oil and Gas Ltd.		1,026.50	
Market value		64,737.00	
Other shares			4,850.00
<b>Mining Claims — at cost:</b>			
Timmins		16,139.57	
Quebec — Bellettre	\$35,718.66		
— Joutel	14,665.19		
— Bourlamaque	10.00	50,393.85	
New Brunswick		2,971.15	69,504.57
Lands — at cost, less proceeds of sales — being approximately 12 miles of former railway right-of-way including mineral and other rights			30,534.85
Exploration equipment — at cost		11,968.84	
Less: Accumulated depreciation		3,500.00	8,468.84
Interest in dormant oil and gas lease and in other royalties — at cost less amounts written off		1,001.00	
Investment in Lowbanks Gas Limited — at cost less amounts written off		1,000.00	2,001.00
Deferred expenditure — per statement			112,268.74
			<u>\$330,263.46</u>

Current:		LIABILITIES	
Accounts payable			\$ 12,784.65

### SHAREHOLDERS' EQUITY

<b>Capital Stock: — Note 3</b>			
Authorized: 7,000,000 shares of no par value			
Issued: 3,591,232 shares		\$813,850.00	
Deficit, per statement attached		496,371.19	317,478.81
			<u>\$330,263.46</u>

Approved on behalf of the Board:

B. W. LANG, Director.

J. L. C. JENNER, Director.

The accompanying explanatory notes are an integral part of these financial statements.

To the Shareholders of  
Acme Gas & Oil Co., Limited:

### Auditors' Report

We have examined the consolidated balance sheet of Acme Gas & Oil Co., Limited, and its subsidiary, Borradaile Oils Limited as at December 31, 1965 and the consolidated statements of deferred expenditure and deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of deferred expenditure and deficit present fairly, on a consolidated basis, the financial position of the companies as at December 31, 1965 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
February 18, 1966.

SIME, AYERS & CO.,  
Chartered Accountants.



# ACME GAS & OIL CO., LIMITED

and its subsidiary

## BORRADAILE OILS LIMITED

### CONSOLIDATED STATEMENT OF DEFERRED EXPENDITURE

for the year ended December 31, 1965

#### Exploration:

Province of Quebec		
Belleterre area	\$64,903.51	
Joutel area	8,302.02	
Bourlamaque area	<u>2,307.16</u>	\$ 75,512.69
Province of Ontario		
Timmins area		20,855.97
Province of New Brunswick		3,204.53
Depreciation on exploration equipment		<u>3,500.00</u>
		103,073.19

#### Administration:

Head office salaries	6,756.00	
Head office accommodation	2,400.00	
Transfer agent's fees and disbursements, Stock Exchange fees and shareholders meetings and reports	9,140.45	
Legal fees and disbursements	8,515.38	
Telephone, stationery, etc.	<u>5,043.11</u>	
	31,854.94	
Real estate carrying charges	<u>764.15</u>	32,619.09
		135,692.28

#### Revenue:

Royalties from oil and gas wells	2,063.06	
Interest earned	6,574.60	
Income from investments	<u>14,785.88</u>	23,423.54

Deferred expenditure		<u>\$112,268.74</u>
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### CONSOLIDATED STATEMENT OF DEFICIT

for the year ended December 31, 1965

Balance, December 31, 1964		\$418,220.59
Royalties written down	\$ 3,852.00	
Cost of abandoned claims and exploration written off — Quebec area	<u>74,298.60</u>	78,150.60
Balance, December 31, 1965		<u>\$496,371.19</u>

### EXPLANATORY NOTES TO THE CONSOLIDATED BALANCE SHEET

December 31, 1965

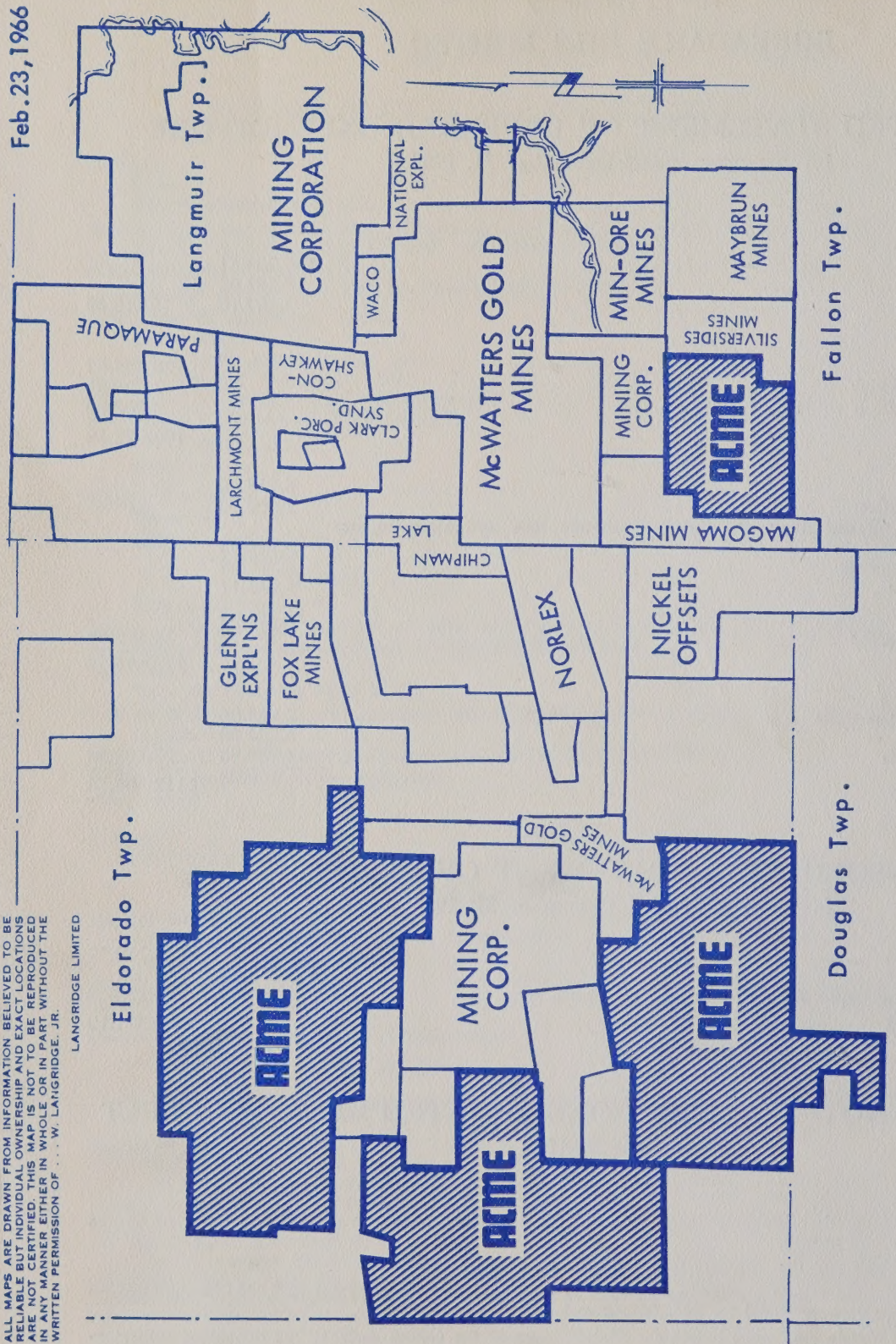
#### Note:

1. "At or below cost" — proceeds of sales of investments are applied against cost, no profit being taken up in the accounts until cost is realized in full.
2. This agreement is in default and the company may repossess the assets involved.
3. During the year the authorized capital was increased from 5,000,000 shares of no par value to 7,000,000 shares of no par value and 700,000 shares were issued for \$175,000 in cash.
4. Options were granted to certain employees to acquire 85,000 shares of the capital stock at 20¢ per share, subject to continuing employment, good until July 1966. None had been exercised at December 31, 1965.



Feb. 23, 1966

LANGRIDGE LIMITED



# ACME GAS & OIL CO. LIMITED

80 RICHMOND STREET WEST, TORONTO 1, ONTARIO

LOCATION MAP showing ACME'S FOUR GROUPS of CLAIMS in  
LANGMUIR and ELDORADO TOWNSHIPS  
TIMMINS MINING AREA - ONTARIO

